

Message Text

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ORIGIN ERDA-07

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CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07

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TO AMEMBASSY ROME

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E.O. 11652: NA

TAGS: TECH

SUBJ: US-ITALIAN BILATERAL AGREEMENT IN GEOTHERMAL ENERGY
(IMPLEMENTATION SESSIONS-DEC 7-11)

1. DURING THE PERIOD OF DEC 7-11 MEETINGS WERE HELD IN WASH AT ERDA HEADQUARTERS BETWEEN US AND ENEL REPS FOR THE PURPOSE OF IMPLEMENTING THE ERDA-ENEL GEOTHERMAL AGREEMENT WHICH WAS SIGNED IN ROME ON JUN 3, 1975. THE ITALIAN DEL WAS COMPOSED OF PROF T LEARDINI (HEAD OF DEL) DR KAFFAELE CATALDI AND DR PIETRO CERON (ALL OF ENEL). THE US DEL WAS COMPOSED OF DR. ERIC WILLIS (HEAD OF DEL) DR JAMES BRESEE, PETER PAUL JODOIN, JOHN METZLER AND HODGE WASSON FROM HEADQUARTERS IN ADDITION TO TOM HINRICHS (MAGMA POWER), MORT SMITH (LASL) PAUL WITHERSPOON (LBL) PAUL KRUGER (STANFORD UNIV) L.J. PAT MUFFLER AND DAVE WILLIAMS (USGS). ALSO PRESENT AT THE INITIAL DISCUSSIONS WAS JOHN MANIELLO, SCIENTIFIC ATTACHE, US EMBASSY ROME.

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2. SCOPE OF BILATERAL DISCUSSION

A. ROLE IDENTIFICATION

ENEL

ELECTRICITY GENERATOR, NOT INTERESTED IN GEOPRESSURED OR NON-ELECTRIC USE,

ERDA

STIMULATION OF WIDER RANGING GEOTHERMAL INDUSTRY BUT IN COMPETITION WITH ALTERNATIVE ENERGY SOURCES IN A FREE MARKET.

B. INITIAL POSITION

ENEL

SEES ACTIVE JOINT VENTURES WITH JOINT FUNDING.
HAS COMMITTED FUNDS (DOL2.0M) PARTICULARLY FOR A JOINT
DRILLING PROJECT (DOL1.5M) FOR STIMULATION EXPERIMENT.

ERDA

EMPHASIZES PARALLEL EFFORTS WITH EXCHANGE OF PERSONNEL AND POSSIBLE
EXPERIMENTS. HAS NO EARMARKED FUNDS FOR JOINT VENTURE-SEES NO
MATERIAL BENEFIT TO US FROM JOINT DRILLING PROJECT SINCE US
EXPERIMENTS IN THIS AREA MUCH FURTHER ADVANCED.

ENEL

WANTS JOINT VENTURE IN HOT BRINE EXPLOITATION.

ERDA

US HOT BRINE EXPERIMENTS WELL ADVANCED; WILLING TO SHARE
EXPERIENCE

AGREED POSITION

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IN A FINAL RAP-UP SESSION HELD ON DEC 11 AN OVERALL REVIEW AND
ASSESSMENT WAS MADE PERTAINING TO PREVIOUS DISCUSSIONS OF THAT
WEEK. AGREED POSITIONS ON THE PART OF ENEL AND ERDA ARE AS FOLLOWS:

ENEL

INTERESTED IN RESERVOIR ENGINEERING-WILL ADOPT US POSITION

ERDA

WANTS TO EXTEND TO WIDER CONCEPT OF RESOURCE ASSESSMENT/RESERVOIR
DEFINITION AND ENGINEERING. WILLING TO UNDERTAKE JOINT VENTURES
AND BENEFIT FROM CONSIDERABLE ITALIAN SUB-SURFACE DATA.

ENEL

INTERESTED IN ENVIRONMENTAL ISSUES

ERDA

WILL BE WILLING TO ACCEPT JOINT ENVIRONMENTAL VENTURES AND TO
ALLOW ITALIAN PARTICIPATION IN ONGOING ENVIRONMENTAL BASELINE
STUDIES IN THE IMPERIAL VALLEY.

ERDA-ENEL

BOTH COORDINATORS AGREED TO MEET SOMETIME IN LATE APR OR EARLY
MAY AFTER DESIGNATED PROJECT LEADERS HAVE SUBMITTED PROPOSED
PROGRAMS FOR CONSIDERATION BY THE COORDINATORS.

C. FOR EMBASSY'S INFO AT THE INVITATION OF DR WILLIS, THE
ENEL DEL WAS INVITED TO SIT IN ON IN-HOUSE DISCUSSIONS AND
PRESENTATIONS BY ERDA AND ITS CONTRACTORS (GEOTHERMAL) ON WORK
THEY ARE PRESENTLY DOING (OVERALL ERDA GEOTHERMAL PROGRAM REVIEW).
LEARDINI WAS PLEASED TO ACCEPT AND BEFORE LEAVING WASHINGTON
INFORMED ERDA DEL THAT IT WAS AN EXTREMELY ENLIGHTENING
EXPERIENCE FOR HIMSELF AND HIS COLLEAGUES.

3. OTHER AREAS OF DISCUSSION:

A. ERDA-ENEL COLLABORATION IN THE IEA
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ENEL TOOK THE POSITION THAT RESULTS OF THE COOPERATION PROGRAMS
UNDER THE AGREEMENT COULD BE DISTRIBUTED AT AN APPROPRIATE FUTURE
DATE BY THE IEA IN ORDER TO INSURE WIDER DISSEMINATION WITHIN
IEA MEMBER COUNTRIES.

COMMENTS: IT DOES NOT APPEAR AT THIS TIME THAT ENEL IS WILLING
TO BRING THE ENTIRE SCOPE OF THIS AGREEMENT UNDER THE IEA, BUT
WOULD RATHER KEEP THIS AGREEMENT AS STRICTLY AS BILATERAL
ACCORD.

B. CCMS WORKSHOP

IT WAS AGREED BY ENEL AND ERDA THAT THE CCMS WORKSHOP ON
RESERVOIR PHYSICS SLATED TO BE HELD IN JUN IN ROME/PISA SHOULD BE

TEMPORARILY DELAYED PENDING THE POSITIVE RESULTS OF THE BILATERAL
PROGRAM, PARTICULARLY IN VIEW OF THE TWO OTHER MEETINGS PLANNED
ON THE SAME SUBJECT SLATED TO BE HELD IN STANFORD IN DEC 1975
AND NEW ZEALAND IN AUG 1976. KISSINGER

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